

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

PHARO GAIA FUND, LTD. and PHARO
MACRO FUND, LTD.,

Plaintiffs,

v.

THE BOLIVARIAN REPUBLIC OF
VENEZUELA,

Defendant.

Case No. 19-cv-3123 (AT)
Related to 18-cv-11940 (AT)

CASA EXPRESS CORP, as Trustee of CASA
EXPRESS TRUST,

Plaintiff,

v.

THE BOLIVARIAN REPUBLIC OF
VENEZUELA,

Defendant.

Case No. 18-cv-11940 (AT)
Related to 19-cv-3123 (AT)

**RULE 56.1 STATEMENT OF UNDISPUTED MATERIAL FACTS IN SUPPORT OF
PLAINTIFFS' CONSOLIDATED MOTION FOR SUMMARY JUDGMENT**

Pursuant to Local Rule 56.1, Plaintiffs Pharo Gaia Fund, Ltd., Pharo Macro Fund, Ltd. (collectively, “the Funds”), and Casa Express Corp (“Casa Express”), as trustee of Casa Express Trust (“the Trust”) submit this statement of undisputed material facts in support of their consolidated motion for summary judgment.

I. The Parties

1. Plaintiff Pharo Gaia Fund, Ltd. (“Pharo Gaia”) is a Cayman Islands exempted company organized and existing under the laws of the Cayman Islands. Hanlon Decl. ¶ 2.
2. Plaintiff Pharo Macro Fund, Ltd. (“Pharo Macro”) is a Cayman Islands exempted company organized and existing under the laws of the Cayman Islands. Hanlon Decl. ¶ 3.

3. Pharo Gaia and Pharo Macro are managed by, among others, Pharo Management Inc., a Delaware corporation whose principal place of business is in New York, New York. Hanlon Decl. ¶ 4.

4. Casa Express is a company organized and existing under the laws of the State of Florida, with its principal place of business at 60 Edgewater Drive, Coral Gables, Florida, 33133. Gamardo Medina Decl. ¶ 2.

5. Casa Express is the sole trustee of the Trust, which is an express trust established under the laws of the State of Florida, and brings this action solely as trustee of the Trust. Gamardo Medina Decl. ¶¶ 3, 5.

6. Defendant the Bolivarian Republic of Venezuela (“Venezuela”) is a foreign state. *E.g.*, Defendant’s First Am. Answer to Compl., ECF No. 32-1 at ¶ 4.¹

II. The Bonds

A. The 13.625% 2018 Bonds – 1998 Issuance

7. In 1998, Venezuela issued a series of bonds designated ISIN US922646AT10 (“1998 Issuance of the 2018s”). Ex. E (2018s – 1998 Issuance Registered Global Security).²

8. The Trust is a current beneficial owner \$1,845,000 principal amount of the 1998 Issuance of the 2018s. Ex. J at 3 (Jefferies Account Statement); Gamardo Medina Decl. ¶ 6.

9. The terms of the 1998 Issuance of the 2018s are set forth in a Registered Global Security. Ex. E (2018s – 1998 Issuance Registered Global Security).

¹ All citations to the docket in this statement are to the docket in *Pharo Gaia Fund Ltd. & Pharo Macro Fund Ltd. v. Bolivarian Republic of Venezuela*, 19-cv-3123 (S.D.N.Y.). A docket entry in *Casa Express Corp, as Trustee of Casa Express Trust v. Bolivarian Republic of Venezuela*, 18-cv-11940 (S.D.N.Y.), will be cited herein as “*Casa Express*, ECF No. ____.”

² Citations to Exhibits are to the exhibits to the Joint Declaration of Matthew D. McGill and Jeremy L. Wallison, ECF No. 42.

10. The 2018s – 1998 Issuance Registered Global Security was signed on behalf of Venezuela by a then-authorized representative of Venezuela. Ex. E at 2 (2018s – 1998 Issuance Registered Global Security).

11. The terms of the 1998 Issuance of the 2018s are also reflected in the prospectus. Ex. D at S-3, S-4, 76–87 (2018s – 1998 Issuance Prospectus).

12. The 1998 Issuance of the 2018s accrues interest at a rate of 13.625% per year. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security).

13. Beginning on August 6, 1998, and continuing “until the principal hereof is paid or made available for payment,” including after maturity if the principal is not paid at maturity, half of the annual interest payment owed on the 1998 Issuance of the 2018s—6.8125%—is due biannually on February 15 and August 15 of each year. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security).

14. The 1998 Issuance of the 2018s matured on August 15, 2018, at which time the entire principal amount became due and payable. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security).

15. The 2018s – 1998 Issuance Registered Global Security provides that Venezuela “pledges its full faith and credit for the due and punctual payment of all amounts due in respect of the Securities.” Ex. E at 4 (2018s – 1998 Issuance Registered Global Security).

16. The 2018s – 1998 Issuance Registered Global Security provides that the securities in this series are “are the direct, general and unconditional obligations of Venezuela.” Ex. E at 4 (2018s – 1998 Issuance Registered Global Security).

17. Section 7 of the 2018s – 1998 Issuance Registered Global Security provides the following “Events of Default”:

(a) Venezuela shall fail to pay the principal amount of any Security when due and such failure continues for a period of 30 days; or

(b) Venezuela shall fail to pay interest or other amounts due on any Security when due and such failure continues for a period of 30 days

....

Ex. E at 10 (2018s – 1998 Issuance Registered Global Security).

18. Section 7 of the 2018s – 1998 Issuance Registered Global Security provides:

If an Event of Default described in Section 7(a) or (b) hereof shall have occurred and be continuing, Venezuela agrees to pay within 30 days after receipt of a demand therefor all reasonable and documented out-of-pocket expenses of the holders (including, without limitation, all reasonable counsel fees and court costs, stamp taxes, duties and fees) incurred in connection with any reasonable investigation of any such Event of Default or the enforcement of the Securities.

Ex. E at 11 (2018s – 1998 Issuance Registered Global Security).

B. The 13.625% 2018 Bonds – 2001 Issuance

19. In 2001, Venezuela issued a series of bonds designated ISIN USP9395PAA95 (“2001 Issuance of the 2018s”). Ex. G (2018s – 2001 Issuance Global Note).

20. The Trust is a current beneficial owner of \$27,170,000 principal amount of the 2001 Issuance of the 2018s. Ex. J at 3 (Jefferies Account Statement); Gamardo Medina Decl. ¶ 7.

21. Pharo Macro is a current beneficial owner of \$1,500,000 principal amount of the 2001 Issuance of the 2018s. Ex. K at 2 (Citigroup Account Statements); Hanlon Decl. ¶ 5.

22. The terms of the 2001 Issuance of the 2018s are set forth in the Regulation S Global Note. Ex. G (2018s – 2001 Issuance Global Note).

23. The Regulation S Global Note for the 2001 Issuance of the 2018s was signed on behalf of Venezuela by a then-authorized representative of Venezuela. Ex. G at 3 (2018s – 2001 Issuance Global Note).

24. The terms of the 2001 Issuance of the 2018s are also reflected in the prospectus. Ex. F at 9–19 (2018s – 2001 Issuance Prospectus).

25. The 2001 Issuance of the 2018s accrues interest at a rate of 13.625% per year. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

26. Beginning on February 15, 2002, and continuing “until the principal hereof is paid or made available for payment,” including after maturity if the principal is not paid at maturity, half of the annual interest payment owed on the 2001 Issuance of the 2018s—6.8125%—is due biannually on February 15 and August 15 of each year. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

27. The 2001 Issuance of the 2018s matured on August 15, 2018, at which time the entire principal amount became due and payable. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

28. The Regulation S Global Note provides that if Venezuela “shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until actual redemption of the Notes.” Ex. G at 7 (2018s – 2001 Issuance Global Note).

29. The Regulation S Global Note provides that Venezuela “pledges its full faith and credit for the due and punctual payment of all amounts due in respect of the Notes.” Ex. G at 4 (2018s – 2001 Issuance Global Note).

30. The Regulation S Global Note provides that the bonds in this series are “are direct, unconditional, unsecured and general obligations of the Republic.” Ex. G at 4 (2018s – 2001 Issuance Global Note).

31. The Regulation S Global Note provides the following “Events of Default”:

(a) the Republic fails to pay the principal amount of any Note when due and such failure continues for a period of 30 days; or

(b) the Republic fails to pay interest or other amounts due on any Note when due, and such failure continues for a period of 30 days

....

Ex. G at 9 (2018s – 2001 Issuance Global Note).

32. The Regulation S Global Note provides:

Venezuela agrees to pay within 30 days after receipt of a demand therefor all reasonable and documented out-of-pocket expenses of the holders (including, without limitation, all reasonable counsel fees and court costs, stamp taxes, duties and fees) incurred in connection with any reasonable investigation of any such Event of Default or enforcement of the Securities.

Ex. G at 10 (2018s – 2001 Issuance Global Note).

C. The 7.75% 2019 Bonds

33. In 2009, Venezuela issued a series of bonds designated ISIN USP97475AN08 (“the 7.75% 2019 Bonds” or “the 2019s”). Ex. I (2019s Global Bond).

34. Pharo Macro is a current beneficial owner of \$180,500,000 principal amount of the 7.75% 2019 Bonds. Ex. K at 3 (Citigroup Account Statements); Hanlon Decl. ¶ 6.

35. Pharo Gaia is a current beneficial owner of \$114,000,000 principal amount of the 7.75% 2019 Bonds. Ex. K at 1 (Citigroup Account Statements); Hanlon Decl. ¶ 7.

36. The terms of the 7.75% 2019 Bonds are set forth in the Regulation S Global Bond. Ex. I (2019s Global Bond).

37. The Regulation S Global Bond for the 7.75% 2019 Bonds was signed on behalf of Venezuela by a then-authorized representative of Venezuela. Ex. I at 4 (2019s Global Bond).

38. The terms of the 7.75% 2019 Bonds are also reflected in the prospectus. Ex. H at 12–24 (2019s Prospectus).

39. The 7.75% 2019 Bonds accrue interest at a rate of 7.75% per year. Ex. I at 2, 8 (2019s Global Bond).

40. Beginning on October 13, 2009, and continuing “until the principal hereof is paid or made available for payment,” including after maturity if the principal is not paid at maturity, half of the annual interest payment owed on the 7.75% 2019 Bonds—3.875%—is due biannually on October 13 and April 13 of each year. Ex. I at 2, 8 (2019s Global Bond).

41. The 7.75% 2019 Bonds matured on October 13, 2019, at which time the entire principal amount became due and payable. Ex. I at 2, 8 (2019s Global Bond).

42. The Regulation S Global Bond provides that if Venezuela “shall fail to redeem the Bonds when due, interest shall continue to accrue beyond the due date until actual redemption of the Bonds.” Ex. I at 8 (2019s Global Bond).

43. The Regulation S Global Bond provides that Venezuela “pledges its full faith and credit for the due and punctual payment of all amounts due.” Ex. I at 5 (2019s Global Bond).

44. The Regulation S Global Bond provides that the 7.75% 2019 Bonds “are direct, unconditional, unsecured and general obligations of the Republic.” Ex. I at 5 (2019s Global Bond).

III. The Fiscal Agency Agreements

45. The 1998 Issuance of the 2018s was issued pursuant to a fiscal agency agreement, dated August 6, 1998 (the “1998 Fiscal Agency Agreement” or “1998 FAA”). Ex. E at 4 (2018s – 1998 Issuance Registered Global Security); Ex. A (1998 FAA).

46. The 1998 Fiscal Agency Agreement is between Venezuela and Banco Central de Venezuela, as Venezuela’s official financial agent, and The Chase Manhattan Bank, as fiscal agent. Ex. A at 1 (1998 FAA).

47. The 1998 Fiscal Agency Agreement was signed on behalf of Venezuela by a then-authorized representative of Venezuela. Ex. A at 30 (1998 FAA).

48. The 1998 Fiscal Agency Agreement provides that any bonds issued under it are “unsecured ..., direct, unconditional and general obligations of Venezuela.” Ex. A § 1(a) (1998 FAA).

49. The 1998 Fiscal Agency Agreement provides that the “full faith and credit of Venezuela will be pledged for the due and punctual payment of all Securities and for the due and timely performance of all obligations of Venezuela.” Ex. A § 1(a) (1998 FAA).

50. The 2001 Issuance of the 2018s was issued pursuant to a fiscal agency agreement, dated July 25, 2001 (the “2001 Fiscal Agency Agreement” or “2001 FAA”). Ex. G at 4 (2018s – 2001 Issuance Global Note); Ex. B (2001 FAA).

51. The 7.75% 2019 Bonds were issued pursuant to the 2001 Fiscal Agency Agreement, as amended on September 19, 2003, March 21, 2005, and December 17, 2007. Ex. I at 5 (2019s Global Bond); Ex. H at 12 (2019s Prospectus); Ex. C (2001 FAA Amendments).

52. The 2001 Fiscal Agency Agreement is between Venezuela and Banco Central de Venezuela, as Venezuela’s official financial agent, and Deutsche Bank AG and Deutsche Bank Trust Company Americas (formerly Bankers Trust Company), as fiscal agents and principal paying agents. Ex. B at 1 (2001 FAA).

53. The 2001 Fiscal Agency Agreement was signed on behalf of Venezuela by a then-authorized representative of Venezuela. Ex. B at 31 (2001 FAA).

54. The 2001 Fiscal Agency Agreement provides that any bonds issued under it are “unsecured ..., direct, unconditional and general obligations of the Republic.” Ex. B § 1(a) (2001 FAA).

55. The 2001 Fiscal Agency Agreement provides that the “full faith and credit of the Republic will be pledged for the due and punctual payment of all Notes and for the due and timely performance of all obligations of the Republic.” Ex. B § 1(a) (2001 FAA).

IV. Venezuela’s Failures to Meet Its Obligations Under the Bonds and the Fiscal Agency Agreements

A. The Trust – 1998 Issuance of the 2018s

56. Venezuela was obligated on February 15, 2018 to make an interest payment of 6.8125% on the \$1,845,000 principal amount of the 1998 Issuance of the 2018s beneficially owned by the Trust. Ex. E at 1(2018s – 1998 Issuance Registered Global Security).

57. The February 15, 2018 interest payment owed to the Trust on the 1998 Issuance of the 2018s amounts to \$125,690.63. Gamardo Medina Decl. ¶ 8.

58. Venezuela did not make and has yet to make the February 15, 2018 interest payment owed to the Trust on the 1998 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 8, 9.

59. Venezuela was obligated on August 15, 2018 to make an interest payment of 6.8125% on the \$1,845,000 principal amount of the 1998 Issuance of the 2018s beneficially owned by the Trust. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security).

60. The August 15, 2018 interest payment owed to the Trust on the 1998 Issuance of the 2018s amounts to \$125,690.63. Gamardo Medina Decl. ¶ 8.

61. Venezuela did not make and has yet to make the August 15, 2018 interest payment owed to the Trust on the 1998 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 8, 9.

62. On August 15, 2018, the 1998 Issuance of the 2018s matured and the \$1,845,000 principal amount beneficially owned by the Trust became due and payable. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security); Gamardo Medina Decl. ¶ 10.

63. Venezuela did not make and has yet to make the August 15, 2018 principal payments owed to the Trust on the 1998 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 10, 11.

64. Venezuela was obligated on February 15, 2019 to make a post-maturity interest payment of 6.8125% on the \$1,845,000 principal amount of the 1998 Issuance of the 2018s beneficially owned by the Trust. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security); *see also supra* at ¶ 13.

65. The February 15, 2019 interest payment owed to the Trust on the 1998 Issuance of the 2018s amounts to \$125,690.63. Gamardo Medina Decl. ¶ 8.

66. Venezuela did not make and has yet to make the February 15, 2019 interest payment owed to the Trust on the 1998 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 8, 9.

67. Venezuela was obligated on August 15, 2019 to make a post-maturity interest payment of 6.8125% on the \$1,845,000 principal amount of the 1998 Issuance of the 2018s beneficially owned by the Trust. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security); *see also supra* at ¶ 13.

68. The August 15, 2019 interest payment owed to the Trust on the 1998 Issuance of the 2018s amounts to \$125,690.63. Gamardo Medina Decl. ¶ 8.

69. Venezuela did not make and has yet to make the August 15, 2019 interest payment owed to the Trust on the 1998 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 8, 9.

70. As a result of Venezuela's failures to meet its obligations under the 1998 Issuance of the 2018s, Venezuela currently owes the Trust: (1) \$1,845,000 in missed principal payments; and (2) \$502,762.50 in missed interest payments. Gamardo Medina Decl. ¶ 12.

B. The Trust – 2001 Issuance of the 2018s

71. Venezuela was obligated on February 15, 2018 to make an interest payment of 6.8125% on the \$27,170,000 principal amount of the 2001 Issuance of the 2018s beneficially owned by the Trust. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

72. The February 15, 2018 interest payment owed to the Trust on the 2001 Issuance of the 2018s amounts to \$1,850,956.25. Gamardo Medina Decl. ¶ 13.

73. Venezuela did not make and has yet to make the February 15, 2018 interest payment owed to the Trust on the 2001 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 13, 14.

74. Venezuela was obligated on August 15, 2018 to make an interest payment of 6.8125% on the \$27,170,000 principal amount of the 2001 Issuance of the 2018s beneficially owned by the Trust. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

75. The August 15, 2018 interest payment owed to the Trust on the 2001 Issuance of the 2018s amounts to \$1,850,956.25. Gamardo Medina Decl. ¶ 13.

76. Venezuela did not make and has yet to make the August 15, 2018 interest payment owed to the Trust on the 2001 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 13, 14.

77. On August 15, 2018, the 2001 Issuance of the 2018s matured and the \$27,170,000 principal amount beneficially owned by the Trust became due and payable. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note); Gamardo Medina Decl. ¶ 15.

78. Venezuela did not make and has yet to make the August 15, 2018 principal payments owed to the Trust on the 2001 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 15, 16.

79. Venezuela was obligated on February 15, 2019 to make a post-maturity interest payment of 6.8125% on the \$27,170,000 principal amount of the 2001 Issuance of the 2018s

beneficially owned by the Trust. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note); *see also supra* at ¶¶ 23, 25.

80. The February 15, 2019 interest payment owed to the Trust on the 2001 Issuance of the 2018s amounts to \$1,850,956.25. Gamardo Medina Decl. ¶ 13.

81. Venezuela did not make and has yet to make the February 15, 2019 interest payment owed to the Trust on the 2001 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 13, 14.

82. Venezuela was obligated on August 15, 2019 to make a post-maturity interest payment of 6.8125% on the \$27,170,000 principal amount of the 2001 Issuance of the 2018s beneficially owned by the Trust. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note); *see also supra* at ¶¶ 23, 25.

83. The August 15, 2019 interest payment owed to the Trust on the 2001 Issuance of the 2018s amounts to \$1,850,956.25. Gamardo Medina Decl. ¶ 13.

84. Venezuela did not make and has yet to make the August 15, 2019 interest payment owed to the Trust on the 2001 Issuance of the 2018s. Gamardo Medina Decl. ¶¶ 13, 14.

85. As a result of Venezuela’s failures to meet its obligations under the 2001 Issuance of the 2018s, Venezuela currently owes the Trust: (1) \$27,170,000 in missed principal payments, and (2) \$7,403,825 in missed interest payments. Gamardo Medina Decl. ¶ 17.

C. Pharo Macro – 2001 Issuance of the 2018s

86. Venezuela was obligated on February 15, 2018 to make an interest payment of 6.8125% on the \$1,500,000 principal amount of the 2001 Issuance of the 2018s beneficially owned by Pharo Macro. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

87. The February 15, 2018 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s amounts to \$102,187.50. Hanlon Decl. ¶ 8.

88. Venezuela did not make and has yet to make the February 15, 2018 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s. Hanlon Decl. ¶¶ 8, 9.

89. Venezuela was obligated on August 15, 2018 to make an interest payment of 6.8125% on the \$1,500,000 principal amount of the 2001 Issuance of the 2018s beneficially owned by Pharo Macro. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

90. The August 15, 2018 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s amounts to \$102,187.50. Hanlon Decl. ¶ 8.

91. Venezuela did not make and has yet to make the August 15, 2018 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s. Hanlon Decl. ¶¶ 8, 9.

92. On August 15, 2018, the 2001 Issuance of the 2018s matured and the \$1,500,000 principal amount beneficially owned by Pharo Macro became due and payable. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note); Hanlon Decl. ¶ 10.

93. Venezuela did not make and has yet to make the August 15, 2018 principal payments owed to Pharo Macro on the 2001 Issuance of the 2018s. Hanlon Decl. ¶¶ 10, 11.

94. Venezuela was obligated on February 15, 2019 to make a post-maturity interest payment of 6.8125% on the \$1,500,000 principal amount of the 2001 Issuance of the 2018s Bonds beneficially owned by Pharo Macro. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

95. The February 15, 2019 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s amounts to \$102,187.50. Hanlon Decl. ¶ 12.

96. Venezuela did not make and has yet to make the February 15, 2019 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s. Hanlon Decl. ¶¶ 12, 13.

97. Venezuela was obligated on August 15, 2019 to make a post-maturity interest payment of 6.8125% on the \$1,500,000 principal amount of the 2001 Issuance of the 2018s beneficially owned by Pharo Macro. Ex. G at 2, 7 (2018s – 2001 Issuance Global Note).

98. The August 15, 2019 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s amounts to \$102,187.50. Hanlon Decl. ¶ 12.

99. Venezuela did not make and has yet to make the August 15, 2019 interest payment owed to Pharo Macro on the 2001 Issuance of the 2018s. Hanlon Decl. ¶¶ 12, 13.

100. As a result of Venezuela’s failures to meet its obligations under the 2001 Issuance of the 2018s, Venezuela currently owes Pharo Macro: (1) \$1,500,000 in missed principal payments, and (2) \$408,750 in missed interest payments. Hanlon Decl. ¶ 14.

D. Pharo Macro – 7.75% 2019 Bonds

101. Venezuela was obligated on October 13, 2017 to make an interest payment of 3.875% on the \$180,500,000 principal amount of the 7.75% 2019 Bonds beneficially owned by Pharo Macro. Ex. I at 2, 8 (2019s Global Bond).

102. The October 13, 2017 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds amounts to \$6,994,375. Hanlon Decl. ¶ 15.

103. Venezuela did not make and has yet to make the October 13, 2017 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 15, 16.

104. Venezuela was obligated on April 13, 2018 to make an interest payment of 3.875% on the \$180,500,000 principal amount beneficially owned by Pharo Macro. Ex. I at 2, 8 (2019s Global Bond).

105. The April 13, 2018 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds amounts to \$6,994,375. Hanlon Decl. ¶ 15.

106. Venezuela did not make and has yet to make the April 13, 2018 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 15, 16.

107. Venezuela was obligated on October 13, 2018 to make an interest payment of 3.875% on the \$180,500,000 principal amount beneficially owned by Pharo Macro. Ex. I at 2, 8 (2019s Global Bond).

108. The October 13, 2018 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds amounts to \$6,994,375. Hanlon Decl. ¶ 15.

109. Venezuela did not make and has yet to make the October 13, 2018 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 15, 16.

110. Venezuela was obligated on April 13, 2019 to make an interest payment of 3.875% on the \$180,500,000 principal amount beneficially owned by Pharo Macro. Ex. I at 2, 8 (2019s Global Bond).

111. The April 13, 2019 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds amounts to \$6,994,375. Hanlon Decl. ¶ 15.

112. Venezuela did not make and has yet to make the April 13, 2019 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 15, 16.

113. Venezuela was obligated on October 13, 2019 to make an interest payment of 3.875% on the \$180,500,000 principal amount beneficially owned by Pharo Macro. Ex. I at 2, 8 (2019s Global Bond).

114. The October 13, 2019 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds amounts to \$6,994,375. Hanlon Decl. ¶ 15.

115. Venezuela did not make and has yet to make the October 13, 2019 interest payment owed to Pharo Macro on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 15, 16.

116. On October 13, 2019, the 7.75% 2019 Bonds matured and the \$180,500,000 principal amount beneficially owned by Pharo Macro became due and payable. Ex. I at 2, 8 (2019s Global Bond); Hanlon Decl. ¶ 17.

117. Venezuela did not make and has yet to make the October 13, 2019 principal payments owed to Pharo Macro on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 17, 18.

118. As a result of Venezuela's failures to meet its obligations under the 7.75% 2019 Bonds, Venezuela currently owes Pharo Macro: (1) \$180,500,000 in missed principal payments, and (2) \$34,971,875 in missed interest payments. Hanlon Decl. ¶ 19.

E. Pharo Gaia – 7.75% 2019 Bonds

119. Venezuela was obligated on October 13, 2017 to make an interest payment of 3.875% on the \$114,000,000 principal amount beneficially owned by Pharo Gaia. Ex. I at 2, 8 (2019s Global Bond).

120. The October 13, 2017 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds amounts to \$4,417,500. Hanlon Decl. ¶ 20.

121. Venezuela did not make and has yet to make the October 13, 2017 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 20, 21.

122. Venezuela was obligated on April 13, 2018 to make an interest payment of 3.875% on the \$114,000,000 principal amount beneficially owned by Pharo Gaia. Ex. I at 2, 8 (2019s Global Bond).

123. The April 13, 2018 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds amounts to \$4,417,500. Hanlon Decl. ¶ 20.

124. Venezuela did not make and has yet to make the April 13, 2018 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 20, 21.

125. Venezuela was obligated on October 13, 2018 to make an interest payment of 3.875% on the \$114,000,000 principal amount beneficially owned by Pharo Gaia. Ex. I at 2, 8 (2019s Global Bond).

126. The October 13, 2018 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds amounts to \$4,417,500. Hanlon Decl. ¶ 20.

127. Venezuela did not make and has yet to make the October 13, 2018 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 20, 21.

128. Venezuela was obligated on April 13, 2019 to make an interest payment of 3.875% on the \$114,000,000 principal amount beneficially owned by Pharo Gaia. Ex. I at 2, 8 (2019s Global Bond).

129. The April 13, 2019 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds amounts to \$4,417,500. Hanlon Decl. ¶ 20.

130. Venezuela did not make and has yet to make the April 13, 2019 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 20, 21.

131. Venezuela was obligated on October 13, 2019 to make an interest payment of 3.875% on the \$114,000,000 principal amount beneficially owned by Pharo Gaia. Ex. I at 2, 8 (2019s Global Bond).

132. The October 13, 2019 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds amounts to \$4,417,500. Hanlon Decl. ¶ 20.

133. Venezuela did not make and has yet to make the October 13, 2019 interest payment owed to Pharo Gaia on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 20, 21.

134. On October 13, 2019, the 7.75% 2019 Bonds matured and the \$114,000,000 principal amount beneficially owned by Pharo Gaia became due and payable. Ex. I at 2, 8 (2019s Global Bond); Hanlon Decl. ¶ 22.

135. Venezuela did not make and has yet to make the October 13, 2019 principal payments owed to Pharo Gaia on the 7.75% 2019 Bonds. Hanlon Decl. ¶¶ 22, 23.

136. As a result of Venezuela's failures to meet its obligations under the 7.75% 2019 Bonds, Venezuela currently owes Pharo Gaia: (1) \$114,000,000 in missed principal payments, and (2) \$22,087,500 in missed interest payments. Hanlon Decl. ¶ 24.

V. Authorization to Sue

137. Cede & Co., as nominee of the Depository Trust Company, is the registered owner and holder of the 1998 Issuance of the 2018s. Ex. E at 1 (2018s – 1998 Issuance Registered Global Security); Ex. D at S-5 (2018s – 1998 Issuance Prospectus).

138. Cede & Co., as nominee of the Depository Trust Company, is the registered owner and holder of the 2001 Issuance of the 2018s. Ex. G at 1 (2018s – 2001 Issuance Global Note); Ex. F at 20 (2018s – 2001 Issuance Prospectus).

139. Cede & Co., as nominee of the Depository Trust Company, is the registered owner and holder of the 7.75% 2019 Bonds. Ex. I at 1 (2019s Global Bond); Ex. H at 112 (2019s Prospectus).

140. Cede & Co. has provided written authorization permitting the Trust, “solely with respect to the [1998 Issuance of the 2018s] held by [the Trust],” “to take any and all actions and exercise any and all rights and remedies that Cede & Co. as the holder of record of the [1998 Issuance of the 2018s] is entitled to take … under the terms of the [1998 Issuance of the 2018s],

the related guarantees, the related indenture, and any other controlling documents.” Ex. O at 1 (the Trust’s Cede Authorization for the 1998 Issuance of the 2018s)

141. Cede & Co. has provided written authorization permitting the Trust, “solely with respect to the [2001 Issuance of the 2018s] held by [the Trust],” “to take any and all actions and exercise any and all rights and remedies that Cede & Co. as the holder of record of the [2001 Issuance of the 2018s] is entitled to take … under the terms of the [2001 Issuance of the 2018s], the related guarantees, the related indenture, and any other controlling documents.” Ex. P at 1 (the Trust’s Cede Authorization for the 2001 Issuance of the 2018s).

142. Cede & Co. has provided written authorization permitting Pharo Macro, “solely with respect to the [2001 Issuance of the 2018s] held by Pharo Macro, to take any and all actions and exercise any and all rights and remedies that Cede & Co. as the holder of record of the [2001 Issuance of the 2018s] is entitled to take … under the terms of the [2001 Issuance of the 2018s], the related fiscal agency agreement, and any other controlling documents.” Ex. Q at 1 (Pharo Macro’s Cede Letter for the 2001 Issuance of the 2018s).

143. Cede & Co. has provided written authorization permitting Pharo Macro, “solely with respect to the [7.75% 2019] Bonds held by Pharo Macro, to take any and all actions and exercise any and all rights and remedies that Cede & Co. as the holder of record of the [7.75% 2019] Bonds is entitled to take … under the terms of the [7.75% 2019] Bonds, the related fiscal agency agreement, and any other controlling documents.” Ex. R at 1 (Pharo Macro’s Cede Letter for the 2019s).

144. Cede & Co. has provided written authorization permitting Pharo Gaia, “solely with respect to the [7.75% 2019] Bonds held by Pharo Gaia, to take any and all actions and exercise any and all rights and remedies that Cede & Co. as the holder of record of the [7.75% 2019] Bonds

is entitled to take ... under the terms of the [7.75% 2019] Bonds, the related fiscal agency agreement, and any other controlling documents.” Ex. S at 1 (Pharo Gaia’s Cede Letter for the 2019s).

VI. Waiver of Sovereign Immunity

145. Section 14(d) of the 1998 and 2001 Fiscal Agency Agreements provides:

To the extent that the Issuer [Venezuela] ... shall be entitled, with respect to any Related Proceeding at any time brought against the Issuer ... in any jurisdiction in which any Specified Court is located ... to any immunity from suit, from the jurisdiction of any such court ... , and to the extent that in any such jurisdiction there shall be attributed such an immunity, the Issuer irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction (including, without limitation, the Foreign Sovereign Immunities Act of 1976 of the United States)

Ex. A § 14(d) (1998 FAA); Ex. B § 14(d) (2001 FAA).

146. The Trust’s suit is a Related Proceeding, as defined in both the 1998 Fiscal Agency Agreement and the 2001 Fiscal Agency Agreement, because it is a “suit, action or proceeding against [Venezuela] or its properties, assets or revenues with respect to this Agreement, any Security or a coupon appertaining thereto.” Ex. A § 14(a) (1998 FAA); Ex. B § 14(a) (2001 FAA).

147. The Funds’ suit is a Related Proceeding, as defined by the 2001 Fiscal Agency Agreement, because it is a “suit, action or proceeding against [Venezuela] or its properties, assets or revenues with respect to this Agreement, any Note or a coupon appertaining thereto.” Ex. B § 14(a) (2001 FAA).

148. The “United States District Court for the Southern District of New York” is a Specified Court as defined in both the 1998 Fiscal Agency Agreement and the 2001 Fiscal Agency Agreement. Ex. A § 14(a) (1998 FAA); Ex. B § 14(a) (2001 FAA).

149. The “Supreme Court of the State of New York, County of New York”—where the Funds originally sued—is a Specified Court as defined by the 2001 Fiscal Agency Agreement. Ex. B § 14(a) (2001 FAA).

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Respectfully submitted,

Washington, DC and New York, NY

/s/ Jeremy L. Wallison
Jeremy L. Wallison, Esq.
jw@wallisonllp.com
20 East 69th Street, Suite 5A
New York, NY 10021
(212) 292-1011

*Counsel for Casa Express Corp,
as Trustee of Casa Express Trust*

/s/ Matthew D. McGill
Matthew D. McGill
MMcGill@gibsondunn.com
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 887-3680

Anne M. Champion
AChampion@gibsondunn.com
200 Park Avenue
New York, N.Y. 10166
(212) 351-4000

*Counsel for Plaintiffs Pharo Gaia
Fund, Ltd. and Pharo Macro Fund,
Ltd.*